Frontiers of Household Finance  
Prof. Camelia Kuhnen (University of North Carolina at Chapel Hill)  
August 2022, BI Norwegian Business School

Syllabus

Course overview  
This course will cover research in household finance. We will discuss results and methods at the frontier of this field of finance and economics. We will consider several important economic decisions made by households concerning investments, leverage, consumption, and labor. We will examine how households approach these important decisions, what errors they might make in doing so, and which frictions they face when attempting to solve these problems.

Assignments and grading

The course grade will be based on class participation (25%), written assessments due daily during Monday, August 8 - Friday, August 12 (50%), and a final written assignment due by Thursday, August 18 (25%).

Each daily written assignment is due before the lecture. Specifically, by 8:00pm the day before each lecture, you must email your assignment, in PDF format, to camelia_kuhnen@kenan-flagler.unc.edu. The write-up length should be 2 pages, with single spacing, 11-pt font, 1-inch margins, and must include your name, and a title with the format “Assignment – Lecture [number]”. You will also share your write-up with your classmates. The final assignment will require you to write up a brief research proposal related to household finance.

You will want to read the majority of the papers listed on this syllabus prior to the start of the course on August 8. We will cover a lot of material in a week, and it will be extremely helpful to you if you read these papers before August 8. Also, please note that your first written assignment is due at 8pm the day before the first lecture.

Timeline

Lecture 1 (Monday, August 8): Overview of Household Finance Research; Household Assets

Overview paper discussed:

Papers discussed regarding Household Assets:


**Assignment:** For a specific paper on Household Assets among the four above, assigned prior to class, you will produce a write-up (formatted as described above) that will include: a brief summary of the main results (1 paragraph), a description of which aspects of the paper are great (1-2 paragraphs), a description of the aspects of the paper which could be improved and suggestions for how this can be accomplished (3-4 paragraphs), and a discussion of how the paper helps the literature by providing closure for a puzzle or by suggesting interesting directions for future work (1-2 paragraphs). This document should be similar to a referee report. The write-up is due at 8:00pm the day before the lecture, in PDF form, by email to Camelia Kuhnen.

**Optional overview articles (useful references if you wish to pursue research in household finance):**


**Lecture 2 (Tuesday, August 9). Household Debt: Mortgages, Credit Cards, and Payday Lending**

**Papers discussed:**


Assignment: For a specific paper among those indicated for the lecture, assigned prior to class, you will produce a write-up (formatted as described above) that will include: a brief summary of the main results (1 paragraph), a description of which aspects of the paper are great (1-2 paragraphs), a description of the aspects of the paper which could be improved and suggestions for how this can be accomplished (3-4 paragraphs), and a discussion of how the paper helps the literature by providing closure for a puzzle or by suggesting interesting directions for future work (1-2 paragraphs). This document should be similar to a referee report. The write-up is due at 8:00pm the day before the lecture, in PDF form, by email to Camelia Kuhnen.

Lecture 3 (Wednesday, August 10): Household Consumption

Papers discussed:


Optional overview article:

Assignment: For a specific paper among those indicated for the lecture, assigned prior to class, you will produce a write-up (formatted as described above) that will include: a brief summary of the main results (1 paragraph), a description of which aspects of the paper are great (1-2 paragraphs), a description of the aspects of the paper which could be improved and suggestions for how this can be accomplished (3-4 paragraphs), and a discussion of how the paper helps the literature by providing closure for a puzzle or by suggesting interesting directions for future work (1-2 paragraphs). This document should be similar to a referee report. The write-up is due at 8:00pm the day before the lecture, in PDF form, by email to Camelia Kuhnen.
Lecture 4 (Thursday, August 11): Heterogeneity in households’ preferences and expectations

Papers discussed:


Assignment: For a specific paper among those indicated for the lecture, assigned prior to class, you will produce a write-up (formatted as described above) that will include: a brief summary of the main results (1 paragraph), a description of which aspects of the paper are great (1-2 paragraphs), a description of the aspects of the paper which could be improved and suggestions for how this can be accomplished (3-4 paragraphs), and a discussion of how the paper helps the literature by providing closure for a puzzle or by suggesting interesting directions for future work (1-2 paragraphs). This document should be similar to a referee report. The write-up is due at 8:00pm the day before the lecture, in PDF form, by email to Camelia Kuhnen.

Lecture 5 (Friday, August 12): Financial institutions, labor markets, and human capital

Papers discussed:


Assignment: For a specific paper among those indicated for the lecture, assigned prior to class, you will produce a write-up (formatted as described above) that will include: a brief summary of the main results (1 paragraph), a description of which aspects of the paper are great (1-2 paragraphs), a description of the aspects of the paper which could be improved and suggestions for how this can be accomplished (3-4 paragraphs), and a discussion of how the paper helps the literature by providing closure for a puzzle or by suggesting interesting directions for future work (1-2 paragraphs). This document should be similar to a referee report. The write-up is due at 8:00pm the day before the lecture, in PDF form, by email to Camelia Kuhnen.